

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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: IN RE WORLDCOM, INC. SECURITIES :  
: LITIGATION :  
:

This Document Relates to: :  
:

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: JEFFREY C. BARBAKOW, :  
:

Plaintiff, :  
:

-v- :  
:

CITIGROUP INC., CITIGROUP GLOBAL :  
MARKETS, INC. f/k/a SALOMON SMITH :  
BARNEY, INC., JACK GRUBMAN, ARTHUR :  
ANDERSEN LLP, AWSC SOCIETE COOPERATIVE, :  
en liquidation f/k/a ANDERSEN WORLDWIDE :  
ORGANIZATION and ANDERSEN WORLDWIDE :  
S.C., and DOES 1 through 200, :  
inclusive, :  
:

Defendants. :  
:

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Appearances:

For Plaintiff Jeffrey C. Barbakow:

Marc M. Seltzer  
Stephen E. Morrissey  
Susman Godfrey L.L.P.  
1901 Avenue of the Stars, Suite 950  
Los Angeles, CA 90067-6029

For Defendants Citigroup Inc.,  
Citigroup Global Markets, Inc. f/k/a  
Salomon Smith Barney, Inc., and Jack  
Grubman:

Martin London  
Richard A. Rosen  
Brad S. Karp  
Eric S. Goldstein  
Walter Rieman  
Joyce S. Huang

MASTER FILE  
02 Civ. 3288 (DLC)

MEMORANDUM OPINION  
AND ORDER

No. 04 Civ. 9388

Paul, Weiss, Rifkind, Wharton &  
Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-6064

and

Peter K. Vigeland  
Wilmer Cutler Pickering Hale and Dorr  
LLP  
399 Park Avenue  
New York, NY 10022

For Defendant Arthur Andersen LLP:

Elliot Lauer  
Michael Moscato  
Daniel R. Marcus  
Curtis, Mallet-Prevost, Colt & Mosle  
LLP  
101 Park Avenue  
New York, NY 10178

DENISE COTE, District Judge:

As part of the fourth tranche of motions to dismiss in the WorldCom Securities Litigation, the defendants have moved to dismiss the entirety of the complaint filed by Jeffrey C. Barbakow asserting "holder" claims under California law. Barbakow filed this action in California state court on June 24, 2004, approximately two years after WorldCom made its devastating disclosure of fraud. Barbakow filed an amended pleading on August 20, 2004 ("Complaint"). The action was removed to federal court on September 23, 2004, and transferred thereafter to this Court, where it was consolidated for pretrial purposes with the Securities Litigation.

The Complaint pleads five causes of action under California law. It pleads two claims for fraud and negligent misrepresentation, and a single claim for aiding and abetting a breach of fiduciary duty. Barbakow responds to the motions to dismiss by inter alia referring to facts not alleged in the Complaint and requesting leave to amend. Pursuant to a scheduling order in the Securities Litigation, Barbakow had a right to amend his complaint within twenty-one days of its arrival on this Court's docket, or by late December 2004. See In re WorldCom, Inc. Sec. Litig., 02 Civ. 3288, 2003 WL 21219037, at \*5 (S.D.N.Y. May 22, 2003). Barbakow did not amend his pleadings at that time.

It remains to be seen whether Barbakow can successfully plead his five claims. He will be granted leave to amend, with the following conditions. He may add no new parties or claims. He must strike as defendants the John Does and any party he did not timely serve with the Complaint. He will not be granted a further opportunity to amend his pleading.

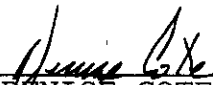
#### Conclusion

Barbakow may file a second amended complaint that conforms to the requirements of this Memorandum Opinion and Order if he does so by April 14, 2006. Any motion to dismiss is due May 12; any opposition is due May 26, 2006; any reply is due June 2. Two courtesy copies of all motion papers and pleadings shall be sent directly to Chambers by delivering them to the Courthouse

Mailroom, 8th Floor, United States Courthouse, 500 Pearl Street,  
New York, New York.

SO ORDERED:

Dated: New York, New York  
March 24, 2006

  
DENISE COTE  
United States District Judge